

CHAPTER 24
EMERGENCY SHELTER GRANTS PROGRAM

261—24.1(PL100-628) Purpose. The program is designed to help improve the quality of services to the homeless, to make available needed services, to help meet the costs of providing essential social services so that homeless individuals have access not only to safe and sanitary shelter, but also to the supportive services and other types of assistance they need to improve their situations.

261—24.2(PL100-628) Definitions.

“Applicant” means a provider of homeless services applying for funds through the ESG program.

“Domestic violence shelter” means a shelter primarily serving clients who are homeless due to domestic violence.

“ESG program” or *“ESGP”* means the emergency shelter grants program.

“Grantee” means a qualifying city government, county government, or nonprofit organization receiving funds under this chapter.

“Homeless” or *“homeless individual”* means:

1. An individual who lacks a fixed, regular, and adequate nighttime residence; and
2. An individual who has a primary nighttime residence that is:
 - A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
 - An institution that provides a temporary residence for individuals intended to be institutionalized; or
 - A public or private place not designated for, or ordinarily used as, a regular sleeping accommodation for human beings.

“HUD” means the U.S. Department of Housing and Urban Development.

“HUD Desk Guide” means the document provided by HUD which supplements the federal regulations outlined by 24 Code of Federal Regulations Part 576 (June 1, 1999).

“IDED” means the Iowa department of economic development.

“Major rehabilitation” means rehabilitation that involves costs in excess of 75 percent of the value of the building before rehabilitation.

“Nonprofit recipient” means any private, nonprofit organization to which a unit of general local government distributes ESGP funds to provide assistance to the homeless. For purposes of this chapter, a nonprofit recipient is a subgrantee.

“Obligated” means that the grantee has placed orders, awarded contracts, received services, or entered similar transactions that require payment from the grant amount. Grant amounts awarded by IDED by a written agreement or letter of award requiring payment from the grant amounts are obligated.

“Private, nonprofit organization” means a secular or religious organization described in Section 501(c) of the Internal Revenue Code which:

1. Is exempt from taxation under Subtitle A of the Internal Revenue Code,
2. Has an accounting system and a voluntary board, and
3. Practices nondiscrimination in the provision of services to clients.

“Project” means an activity or activities undertaken by the applicant to be carried out at a specific facility or location. No more than one project shall be funded at any one facility or location.

“Rehabilitation” means repair directed toward an accumulation of deferred maintenance; replacement of principal fixtures and components of existing buildings; installation of security devices; and improvement through alterations or additions to, or enhancements of, existing buildings, including improvements to increase the efficient use of energy in buildings. Costs of rehabilitation may include labor, materials, tools, and other costs of improving buildings.

“Renovation” means rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation.

“ServicePoint” means the data collection system used by IDED to collect information about homeless and near homeless Iowans.

“Value of the building” means the monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by the grantee.

261—24.3(PL100-628) Eligible applicants. City governments, county governments, and private, nonprofit organizations are eligible applicants under the emergency shelter grants program. City or county governments may apply on behalf of a service provider within their jurisdictions when the nonprofit organization serves homeless and near homeless clients by providing overnight shelter, meals, clothing, transportation, counseling, child care, legal services, medical services, transitional housing services, and other services eligible under the emergency shelter grants program as determined by the U.S. Department of Housing and Urban Development.

261—24.4(PL100-628) Eligible activities. Eligible activities are based on guidelines established by the Stewart B. McKinney Homeless Assistance Amendment Act of 1987 and further defined in 24 Code of Federal Regulations Part 576 (June 1, 1999) and the HUD Desk Guide section 3. Activities assisted by this program may include only the following:

1. Rehabilitation, renovation, or conversion of buildings for use as providers of services for the homeless. Rehabilitation activities shall be allowed a maximum cost of \$10,000 per project.
2. Provision of essential services if the service is a new service or a quantifiable increase in the level of service. No more than 30 percent of the IDED annual grant amount may be used for this purpose.
3. Payment of emergency shelter and transitional housing operating costs including shelter maintenance, operations, rent, repairs, security, fuel, equipment, insurance, utilities, food and furnishings. Staff salaries, including fringe benefits, paid under the operating cost category are limited to 10 percent of the grant amount. Maintenance and security costs are not subject to the 10 percent standard.
4. Payment for eligible activities that assist in prevention of homelessness. Grants may be made for homeless prevention as long as the total amount of such grants does not exceed 30 percent of the total emergency shelter grants program allocation. Examples of eligible activities include, but are not limited to, short-term subsidies to help defray rent and utility arrearages for families faced with eviction or termination of utility services; security deposits or first month's rent to enable a family to acquire its own apartment; programs to provide mediation services for landlord-tenant disputes; or programs to provide legal representation to indigent tenants in eviction proceedings. Other possible types of homeless prevention efforts include making needed payments to prevent a home from falling into foreclosure.
5. Administrative costs. A grantee may use a portion of a grant received for administrative purposes as determined by IDED. The maximum allowed for these administrative costs shall be 5 percent of the state ESGP allocation. IDED reserves the authority for distribution of administrative funds.

261—24.5(PL100-628) Ineligible activities. The general rule is that any activity that is not authorized under the provision of P.L. 100-628 is ineligible to be carried out with emergency shelter grants program funds. The following are items specially listed as ineligible in 24 Code of Federal Regulations Part 576 (June 1, 1999).

1. Acquisition or new construction of an emergency shelter for the homeless;
2. Rehabilitation administration, such as preparation of work specification, loan processing, or inspections;

3. Renovation, rehabilitation, or conversion of buildings owned by primarily religious organizations or entities unless the activity complies with all the requirements as outlined in 24 CFR 576.23(a) and (b).

261—24.6(PL100-628) Application procedures. The Iowa department of economic development will request applications from eligible applicants as often as the state expects funding from the U.S. Department of Housing and Urban Development (HUD). Applicants will be given at least 30 days in which to reply to the state's request. The Iowa department of economic development will make funding decisions in conjunction with the time frame established by HUD. The application must be submitted on forms prescribed by IDED and must, at a minimum, include the amount of funds requested, the need for the funds, documentation of other available funding sources, source of required local match, and estimated number of persons to be served by the applicant (daily average). No individual project may receive more than \$50,000 annually. Applicants may receive a maximum of \$125,000 in ESGP funds annually. A minimum grant level of \$10,000 is required per applicant. No more than one project per applicant shall be funded at any one facility or location.

261—24.7(PL100-628) Application review process. The following procedures will be used in the review of applications received under the emergency shelter grants program.

24.7(1) Applications will be reviewed by a panel of the staff of the Iowa department of economic development and coordinated with representatives of other homeless assistance programs. Applications will be reviewed to determine eligibility based on the following criteria:

a. The identified community need for the funds, including the number of clients proposed to be served, the current unmet need in the community, geographic area of service, and common factors leading to the need for the service. Maximum 25 points.

b. The comprehensiveness and flexibility of the proposed program, including how the applicant proposes to meet the total and special needs of its clients and how homeless assistance is integrated with other programs. Maximum 25 points.

c. The accessibility of the applicant's proposed services to its clients, including how well the applicant promotes its services within the community, any barriers to service, and any networking with other service providers in the area. Maximum 15 points.

d. How well the applicant deals with cultural diversity within its community. Maximum 10 points.

e. Any partnerships or collaborations between the applicant and other programs within the organization or with other organizations performing similar or complementary services. Maximum 15 points.

f. A description of specific outcome measures for short- or long-term objectives for clients. An applicant's past performance, if applicable, shall be assessed in terms of its ability to meet performance targets. Maximum 25 points.

g. How well the applicant maximizes or leverages resources. Maximum 20 points.

h. Threshold criteria. Applicants shall demonstrate capacity for grant administration as evidenced by previous satisfactory grant administration or by providing evidence of administrative ability to administer such a grant.

24.7(2) If an application contains an activity determined to be ineligible under the ESG program, the ineligible activity will be deleted from the application or referred to another funding source, if applicable.

24.7(3) IDED staff reserves the right to negotiate directly with the applicant to determine the priority of funding requested within the application.

24.7(4) IDED staff may also review applications with the department of human rights, department of human services, or other groups with expertise in the area of serving homeless persons before making final funding recommendations. Consultation with other agencies is intended to avoid duplication and promote maximum utilization of funding sources. Based on the review process, IDED may revise the overall funding request by activity or funding level and recommend a final funding figure to the director of IDED for approval. Applicants receiving funding will not receive less than a \$10,000 award.

24.7(5) A city or county government or nonprofit organization may be designated, at the discretion of IDED, to administer a contract for multiple applicants within a prescribed geographic area.

24.7(6) IDED reserves the right to negotiate all aspects of a funding request prior to final approval.

24.7(7) Applicants that receive awards will receive funding for a one-year period.

261—24.8(PL100-628) Matching requirement. Each recipient of emergency shelter grants program funds must match the grant amount with an equal amount. This may come from the grantee, or through nonprofit recipients whose contracts are being administered by a local city or county government. In calculating the amount of matching funds, the following may be included: the value of any donated material or building used in the project, the value of any lease on a building used in the project, any salary paid to staff of the grantee or to any state recipient in carrying out the emergency shelter program, and the time and services contributed by volunteers at the rate of \$5 per hour. For purposes of this rule, IDED will determine the value of any donated material or building, or any lease, using any method reasonably calculated to establish fair market value. The state may grant an exemption of matching funds up to a maximum of \$100,000 of the state allocation received from HUD for the recipients least capable of providing such matching amounts. The recipient must document its need to participate in this exemption from matching requirements, and must receive prior approval from IDED before the exemption will be effective.

261—24.9(PL100-628) Grant awards. Grants will be awarded to individual applicants. IDED may award a grant to a city or county government or a nonprofit organization on behalf of multiple applicants, at the discretion of IDED and with the approval of those applicants affected and the local governmental unit. If a city, county or nonprofit organization is designated as the grantee of an award, that city, county or nonprofit organization will be responsible for coordination of requests for funds by eligible private, nonprofit recipients within its jurisdiction by consolidating them into one contract between the local governmental unit or nonprofit organization and IDED. IDED reserves the right to negotiate the amount of the grant award, the scale of the project, and alternative methods for completing the project.

261—24.10(PL100-628) Restrictions placed on grantees.

24.10(1) Use as provider of homeless services. Any building for which emergency shelter grants program funds are used must be maintained as a provider of homeless services for not less than a three-year period, or for not less than a ten-year period if the grant amounts are used for major rehabilitation or conversion of the building. All other operating and maintenance costs have a one-year requirement. In calculating the applicable time period, the three- and ten-year periods are determined as follows:

a. In the case of a building that was not operated as a provider of services for the homeless before receipt of grant funds, on the date of initial occupancy as a provider of services to the homeless.

b. In the case of a building that was operated as a provider of services to the homeless before the receipt of grant funds, on the date that grant funds are first obligated to the homeless service provider.

24.10(2) *Building standards.* Any building for which emergency shelter grants program funds are used for renovation, conversion, rehabilitation, or major rehabilitation must meet the local government standard of being safe and in sanitary condition.

24.10(3) *Assistance to the homeless.* Homeless individuals must be given assistance in obtaining:

a. Appropriate supportive services including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living; and

b. Other federal, state, local, and private assistance available to them.

24.10(4) *Participation by homeless individuals and families.*

a. Recipients of ESGP funds must certify that they involve, through employment, volunteer services, or otherwise, homeless individuals and families, to the maximum extent practicable, in construction, renovation, maintenance, and operation of assisted facilities.

b. Local government recipients or qualified subrecipients must have the participation of at least one homeless person or formerly homeless person on their board of directors or equivalent policy-making entity. The Secretary of HUD may grant a waiver to the recipient if the recipient agrees to otherwise consult with homeless or formerly homeless individuals when making policy decisions.

24.10(5) *Termination of assistance.* Recipients or qualified subrecipients must establish and implement a formal process to terminate assistance to individuals or families who violate program requirements. This process must include a hearing that provides individuals a full opportunity to address issues of noncompliance.

24.10(6) *Data reporting system.* Recipients shall participate in the HUD-approved Homeless Management Information System (HMIS) developed by IDED as required in the executed contract.

261—24.11(PL100-628) Compliance with applicable federal and state laws and regulations.

All grantees shall comply with the Iowa Code governing activities performed under this program and with all applicable provisions of the Stewart B. McKinney Homeless Assistance Amendment Act of 1987 and its implementing regulations. Use of ESGP funds must comply with the following additional requirements.

24.11(1) *Nondiscrimination and equal opportunity.* All grantees must comply with the following:

a. The requirements of Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3601-19 and implementing regulations; Executive Order 11063 and implementing regulations at 24 CFR Part 107 (June 1, 1999); and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2002d) and its implementing regulations at 24 CFR Part 1 (June 1, 1999).

b. Affirmative action requirements as implemented with Executive Orders 11625, 12432, and 12138 which require that every effort be made to solicit the participation of minority and women business enterprises (MBE/WBE) in governmental projects.

c. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07).

d. The prohibitions against discrimination against disabled individuals under Section 504 of the Rehabilitation Act of 1973/Americans with Disabilities Act.

24.11(2) *Auditing.* Auditing requirements are as outlined in the Single Audit Act of 1996 and the implementing regulations found in OMB Circular A-133.

261—24.12(PL100-628) Administration.

24.12(1) *Contracts.* Upon selection of an application for funding, IDED will issue a contract. The contract shall be between IDED and the designated grantee as determined by IDED. If a local city or county government or a nonprofit organization is designated as the grantee, the private, nonprofit providers covered through the contract shall remain responsible for adherence to the requirements of the ESG program, including these rules. These rules and applicable federal and state laws and regulations become part of the contract. Certain activities may require that permits or clearances be obtained from other state or federal agencies prior to proceeding with the project. Grant awards may be conditioned upon the timely completion of these requirements.

24.12(2) *Record keeping and retention.* Financial records, supporting documents, statistical records, and all other records pertinent to the grant program shall be retained by the grantee. Private, nonprofit recipients covered through an ESGP contract from a local city or county government or nonprofit organization are responsible for ensuring that pertinent records of their ESGP funds be made available to the administering city or county or nonprofit organization and to IDED upon request. Proper record retention must be in accordance with the following:

a. Records for any assisted activity shall be retained for three years after final closeout and, if applicable, until audit procedures are completed and accepted by IDED;

b. Representatives of the Secretary of the U.S. Department of Housing and Urban Development, the Inspector General, the General Accounting Office, the state auditor's office, and IDED shall have access to all books, accounts, documents, records, and other property belonging to or in use by a grantee pertaining to the receipt of assistance under these rules.

24.12(3) *Reporting requirements.* Grantees shall submit reports to IDED as prescribed in the contract. These reports are:

a. ServicePoint data reports. All recipients of ESGP funds are required to submit monthly reports on clients served using the ServicePoint reporting process as prescribed by IDED; provided, however, that a recipient that qualifies as a domestic violence shelter shall not be required to report personally identifiable information about its homeless domestic violence clients. "Personally identifiable information" shall include any information that the reporting domestic violence shelter reasonably determines could be used to identify a particular client.

b. ESGP Form-1, Request for Funds. Grantees must submit requests for funds as needed during the contract year as prescribed by IDED. IDED may perform any review or field inspections it deems necessary to ensure program compliance, including review of grantee records and reports. When problems of compliance are noted, IDED may require remedial actions to be taken. Failure to respond to notifications of need for remedial action may result in the implementation of 24.12(5).

24.12(4) *Amendments to contracts.* Contracts may be amended on an individual basis in emergency situations. Any request to amend a contract must be submitted in writing by the chief elected official to IDED. IDED will determine if the request to amend is justified based on the material presented in the letter of request. No amendment is valid until approved in writing by IDED.

24.12(5) *Remedies for noncompliance.* At any time before project closeout, IDED may, for cause, find that a grantee is not in compliance with the requirements under this program. At IDED's discretion, remedies for noncompliance may include the following:

a. Issue a warning letter that further failure to comply with program requirements within a stated period of time will result in a more serious action.

b. Condition a future grant.

c. Direct the grantee to stop incurring costs with grant funds.

d. Require that some or all of the grant amounts be remitted to the state.

e. Reduce the levels of funds the recipient would otherwise be entitled to receive.

f. Elect not to provide future grant funds to the recipient until appropriate actions are taken to ensure compliance. Reasons for a finding of noncompliance include, but are not limited to: the grantee's use of program funds for activities not described in its application, the grantee's failure to complete approved activities in a timely manner, the grantee's failure to comply with any applicable state or federal rules or regulations, or the lack of continuing capacity by the grantee to carry out the approved program in a timely manner.

These rules are intended to implement Iowa Code section 15.108(1) "a."

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